



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 26, 2006

H.R. 3351 **Native American Technical Corrections Act of 2006**

*As cleared by the Congress on May 2, 2006,
and signed by the President on May 12, 2006*

SUMMARY

H.R. 3351 (enacted at Public Law 109-298) amends the Indian Gaming Regulatory Act (IGRA) to increase the fees paid to the National Indian Gaming Commission (NIGC) by tribal gaming operators.

CBO estimates that the act will increase direct spending by \$3 million in 2006 and by about \$290 million over the 2006-2016 period. CBO also estimates that the act will increase revenues by \$3 million in 2006 and by about \$290 million over the 2007-2016 period. As a result, the act will have no impact on the federal deficit.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3351 is shown in the following table. The costs of the legislation fall within budget function 800 (general government).

By Fiscal Years, in Millions of Dollars											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
CHANGES IN REVENUES											
NIGC Fees											
Estimated Revenues	3	11	18	21	25	28	31	34	37	41	44
CHANGES IN DIRECT SPENDING											
Spending of NIGC Fees											
Estimated Budget Authority	3	11	18	21	25	28	31	34	37	41	44
Estimated Outlays	3	11	18	21	25	28	31	34	37	41	44

BASIS OF ESTIMATE

For this estimate, CBO assumes that spending will follow historical patterns for NIGC and its programs.

The IGRA established the NIGC to monitor and regulate gaming activity on Indian lands. The legislation authorizes the commission to collect and expend an annual fixed assessment on tribal gaming operators based on tribal gambling revenues. Prior to enactment of H.R. 3351, that assessment was limited to a total of \$12 million annually in fiscal years 2006 and 2007 and \$8 million in each subsequent year. H.R. 3351 amended the fixed limitation and allows the NIGC to collect up to 0.080 percent (80 cents per \$1,000) of all gaming revenues subject to NIGC regulation.

CBO expects that changing the assessment to a percentage of total tribal gambling revenues will lead to a significant increase in the amount of fees collected. Over fiscal years 1999 through 2004, tribal gaming revenues increased by an average of 15 percent a year to about \$19 billion in 2004. If the revenue increases continue at the same rate, the amount of fees generated annually under H.R. 3351 would increase to about \$23 million in 2007 and to \$80 million in 2016. However, CBO expects that future growth in Indian gaming revenues will slow relative to recent history over the 2006-2016 period. We estimate that the amount of fees generated in fiscal year 2006 will be \$15 million and rise to \$52 million by fiscal year 2016.

Thus, CBO estimates that, against the previous assessments (\$12 million in 2006), NIGC fees and spending will increase by \$3 million in 2006. We also estimate that under the act, fees and spending will continue to grow with gaming revenues and increase by an additional \$44 million a year by 2016.

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